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Terry Goddard Announces Settlement in Business Opportunity Scheme

(Phoenix, Ariz. – Aug. 21, 2007) Attorney General Terry Goddard today announced a settlement with The Results Group, LLC (TRG), a Phoenix-based company that sold fraudulent, home-based, Internet business opportunities. The settlement bans the company from doing outbound telemarketing of any kind in Arizona. Goddard was joined by Deanya Kueckelhan, Southwest Director for the Federal Trade Commission, who announced a separate federal settlement with TRG.

"These settlements put companies on notice that fraudulent business opportunity schemes will not be tolerated in Arizona," Goddard said. "We will continue to pursue individuals and businesses who deceive consumers with false promises of income that is never earned."

Edward Longoria and Amber Halvorson, both of Phoenix, are named as defendants in the state's settlement. Both served as managers for TRG, supervising and directing its business policies and practices.

The settlements are the result of a joint federal and state enforcement sweep, *Project FAL\$E HOPE\$*, that last December targeted bogus business opportunity and work-athome schemes.

Beginning in 2004, TRG, located at 2845 E. Camelback Road in Phoenix, began contacting consumers who expressed interest in work-at-home opportunities after viewing a "pop-up" advertisement on the Internet. TRG claimed that this opportunity was "risk free" and consumers could make anywhere from \$1,000 a week to \$100,000 a year from its program.

TRG offered a portal Web site for sale that would serve as a gateway to other commercial Web sites. TRG told consumers interested in this opportunity that they would earn a commission when Internet users used the portal to access a commercial Web site and then make a purchase.

TRG charged between \$99 and \$597 to establish the portal Web site. When consumers complained that they were not earning the promised commissions, TRG sold "advertising packages" for amounts up to several thousand dollars. When consumers complained that the advertising packages were ineffective, TRG frequently told them that the refund policy did not apply to the advertising packages. Hundreds of consumers purchased this program.

The state settlement, in the form of a consent judgment, settles the lawsuit filed against TRG in December 2006. According to the settlement, Longoria, Halvorson and TRG are:

- Required to pay \$40,000 -- \$15,000 when the consent judgment is filed with the court and \$25,000 within one year;
- Prohibited from outbound telemarketing of any kind in Arizona;
- Prohibited from advertising, offering for sale or selling any business opportunity in Arizona:
- Prohibited from misrepresenting the terms of a refund policy;
- Prohibited from refusing to honor refunds where such requests are made in accordance with the refund policy.

The consent judgment has been filed in Maricopa County Superior Court, and is subject to court approval. Assistant Attorneys General Karen Treon and Dena Rosen Epstein worked on this case.

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